Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

# Message Text

LIMITED OFFICIAL USE

PAGE 01 BRASIL 05755 112042Z

11
ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 COME-00 TRSE-00 OMB-01 CIAE-00

INR-07 NSAE-00 AID-05 EUR-12 EA-06 XMB-02 /051 W
---------- 021747
R 112018Z JUL 75
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC 318
INFO AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO

LIMITED OFFICIAL USE BRASILIA 5755

E.O.11652: N/A
TAGS: EFIN, BEXP, BR
SUBJECT: STEEL EXPANSION PROGRAM

1. DURING CONVERSATION WITH DEPUTY ASSISTANT SECRETARY OF COMMERCE HOSTLER, THE DIRECTOR OF SIDERBRAS, WILKIE BARBOSA, SAID THAT GOB NOW BELIEVES THAT LETTERS OF INQUIRY ON STEEL EXPANSION PROGRAM ALREADY SENT TO BIDDERS AMOUNT TO SOME $200 MILLION, AND HE THOUGHT THAT THESE TENDERS SHOULD BE SUFFICIENT TO GIVE OFFICIAL CREDIT AGENCIES ADEQUATE BASIS ON WHICH TO DECIDE TERMS FOR BRAZILIAN STEEL PROGRAM. HE SAID THAT TENDERS ON CSN HOT STRIP MILL ALONE AMOUNTED TO $100 MILLION. BARBOSA SAID THAT NONE OF THE MAJOR SUPPLIERS-- US, UK, FRG, JAPAN AND FRANCE-- HAVE YET GIVEN GOB DEFINITE WORD ON TERMS THEY WILL OFFER AND HE SAID THAT TOB IS ANXIOUSLY AWAITING US EXIMBANK DECISION, WHICH BRAZILIANS UNDERSTAND WILL BE TAKEN WITHIN NEXT WEEK OR SO. BARBOSA SAID THAT CSN FINANCIAL DIRECTOR IS CURRENTLY VISITING FRANCE AND GERMANY AND THAT IN RECENT WEEKS GERMANS HAVE SUBSTANTIALLY INCREASED THE AMOUNT OF FINANCING COMMITMENTS THEY ARE WILLING TO UNDERTAKE. RE SECONDAY SUPPLIERS, BARBOSA SAID 15-YEAR TERMS HAVE BEEN OFFERED BY AUSTRIA AND SPAIN, THE LATTER HE THOUGHT WOULD BE COMPETITIVE FOR MATERIALS HANDLING EQUIPMENT, ESPECIALLY HEAVY CRANES. BARBOSA SAID SOVIETS HAD ALSO PROMISED HIM 15-YEAR TERMS.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRASIL 05755 112042Z

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

2. COMMENT: FROM BARBOSA'S COMMENTS, IT APPEARS THAT OTHER MAJOR SUPPLIERS ARE WAITING FOR US TO TAKE THE LEAD ON FIANCING TERMS. HOWEVER, EMBASSY HAD RECENTLY HEARD FROM FINANCE MINISTRY SOURCE THAT GOB WAS HOPEFUL THAT GERMANY WOULD BREAK THE LINE ON TERMS AND AGREE TO 15 YEARS (12 AND 3).
CRIMMINS

LIMITED OFFICIAL USE

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

# Message Attributes

**Automatic Decaptioning:** X
**Capture Date:** 01 JAN 1994
**Channel Indicators:** n/a
**Current Classification:** UNCLASSIFIED
**Concepts:** STEEL, FOREIGN INVESTMENT, STEEL PLANTS
**Control Number:** n/a
**Copy:** SINGLE
**Draft Date:** 11 JUL 1975
**Decaption Date:** 01 JAN 1960
**Decaption Note:**
**Disposition Action:** RELEASED
**Disposition Approved on Date:**
**Disposition Authority:** GolinoFR
**Disposition Case Number:** n/a
**Disposition Comment:** 25 YEAR REVIEW
**Disposition Date:** 28 MAY 2004
**Disposition Event:**
**Disposition History:** n/a
**Disposition Reason:**
**Disposition Remarks:**
**Document Number:** 1975BRASIL05755
**Document Source:** CORE
**Document Unique ID:** 00
**Drafter:** n/a
**Enclosure:** n/a
**Executive Order:** N/A
**Errors:** N/A
**Film Number:** D750241-0205
**From:** BRASILIA
**Handling Restrictions:** n/a
**Image Path:**
**ISecure:** 1
**Legacy Key:** link1975/newtext/t19750761/aaaaccpm.tel
**Line Count:** 67
**Locator:** TEXT ON-LINE, ON MICROFILM
**Office:** ACTION ARA
**Original Classification:** LIMITED OFFICIAL USE
**Original Handling Restrictions:** n/a
**Original Previous Classification:** n/a
**Original Previous Handling Restrictions:** n/a
**Page Count:** 2
**Previous Channel Indicators:** n/a
**Previous Classification:** LIMITED OFFICIAL USE
**Previous Handling Restrictions:** n/a
**Reference:** n/a
**Review Action:** RELEASED, APPROVED
**Review Authority:** GolinoFR
**Review Comment:** n/a
**Review Content Flags:**
**Review Date:** 04 SEP 2003
**Review Event:**
**Review Exemptions:** n/a
**Review History:** RELEASED <04 SEP 2003 by CunninFX>; APPROVED <25 NOV 2003 by GolinoFR>
**Review Markings:**

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

**Review Media Identifier:**
**Review Referrals:** n/a
**Review Release Date:** n/a
**Review Release Event:** n/a
**Review Transfer Date:**
**Review Withdrawn Fields:** n/a
**Secure:** OPEN
**Status:** NATIVE
**Subject:** STEEL EXPANSION PROGRAM
**TAGS:** EFIN, BEXP, BR, US
**To:** STATE
**Type:** TE
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006